

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2880
ANSWERED ON:17.12.2004
FN INVESTMENT IN INDIA
Patil Shri Balasaheb Vikhe

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that investment made by Foreign Institutional Investors in India's equities has touched a record \$ 6.64 billion in a calendar year;
- (b) if so, details thereof with major sectors accruing benefits of FIIs; and
- (c) the rate of interest that FIIs expect and how it compares with rate of interest on domestic savings?

Answer

MINISTER OF STATE FOR FINANCE (SHRI S.S. PALANIMANICKAM)

a) According to data available with Securities and Exchange Board of India (SEBI), during the current calendar year, 2004, net FII investments in equity instruments amounted to us \$ 7.90 billion, as of December 13, 2004.

b) FII investments in Indian equities is diversified across 654 scrips, spread across a spectrum of sectors. The break-up is as follows:

Sector	Percentage Of Holding
1. Petroleum	31%
2. Banking	19%
3. Information Technology	14%
4. Power	11%
5. Telecommunications	4%
6. Iron & Steel	4%
7. FMCG	3%
8. Others	14%
Total	100%

(c): With respect to FII investments in equity, the rate of interest is not a relevant parameter for comparison with interest on domestic

savings.